

Workforce Investment Act 15-Percent Special Projects Fiscal and Procurement Administration On-Site Monitoring Guide

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**Workforce Investment Act 15-Percent Special Projects
Fiscal and Procurement Administration
On-Site Monitoring Guide**

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Preface

FISCAL AND PROCUREMENT ADMINISTRATION ON-SITE MONITORING GUIDE

Background and Instructions

The purpose of this guide is to provide the monitor with a tool to conduct an on-site review of the Subgrantee's fiscal and procurement administration of the Workforce Investment Act (WIA) 15% Special Projects. As stated in the transmittal letter, the monitor will review for compliance with applicable federal and state laws, regulations, and policies related to WIA.

Subgrantee: _____

Executive Director/Administrator: _____

Fiscal Contact Person: _____ Phone: _____

Procurement Contact Person: _____ Phone: _____

Subgrant Period: _____ To _____

WIA Award Amount: _____ Grant Code: _____

Review Dates: _____ Report Number: _____

CRD Monitor: _____ Phone: _____

CRD Supervisor: _____ Phone: _____

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Staff Interviewed: _____

EXPENDITURE REPORT

FISCAL TOOL 1

1. Using the most recently completed quarterly WIA expenditure report on the Job Training Automated (JTA) system, complete the following:

Subgrant Number: _____ Modification Number: _____

Quarter Ending: _____ Total Expenditures: \$ _____

Total Administrative Cost Reported: \$ _____

Program Income Earned: \$ _____

2. Obtain copies of the Subgrantee's accounting records used to develop the quarterly WIA expenditure report above submitted on the JTA system, such as:

☐ Chart of Accounts

☐ Payroll Register

☐ General Ledger

☐ Expenditure Spreadsheet

3. Request that the Subgrantee fiscal staff explain how the accounting records provided are used to arrive at the expenditures reported to the State on the JTA system.

4. Do the total expenditures on the Subgrantee's accounting records match its total expenditures reported to the State?

☐ **Yes** ☐ **No** If **No**, explain: _____

5. Review the Subgrantee's accounting records to see if program income is being tracked.

6. Does the program income on the Subgrantee's accounting records match its reported program income on the State's JTA system?

☐ **Yes** ☐ **No** If **No**, explain: _____

Is the program income generated from WIA funds spent prior to requesting additional funds? ☐ **Yes** ☐ **No** If **No**, explain: _____

References: 29 CFR Part 95, Section 95.21 Standards for Financial Management Systems
Sections 667.200, 667.220 and 667.300 of 20 CFR
WIA Sections 184 and 185
WIA Directive WIAD01-6 Program Income
WIA Directive WIAD02-1 Quarterly Financial Reporting Requirements

CASH MANAGEMENT AND INTEREST INCOME

FISCAL TOOL 2

1. What is the Subgrantee's cash management methodology? _____

If the Subgrantee operates on a cash reimbursement method, identify the source of funds used in lieu of WIA funds to initially pay for the WIA costs.

2. Obtain and review the Subgrantee's cash request records to track WIA cash draw-downs and compare with its bank deposits.

Does the Subgrantee's internal cash request record reconcile with the bank deposits?

☐ **Yes** ☐ **No** If **No**, explain? _____

3. Obtain and review source documents used by the Subgrantee to substantiate each amount requested.

Does it appear that each amount requested is sufficiently substantiated?

☐ **Yes** ☐ **No** If **No**, explain? _____

4. Using the documents obtained above, determine if any cash requests resulted in excess cash on hand. The table below may be used to document any instance(s) where cash requests have resulted in excess cash.

Date Cash Received	Amount Requested	Amount of expenditure	Amount of Excess Cash on hand	Excess Cash an Issue?
	\$	\$	\$	

If the Subgrantee operates on a cash reimbursement method, skip **Question 5** below.

5. Does the Subgrantee maintain federal advances (WIA funds) in interest bearing accounts? ☐ **Yes** ☐ **No** If **No**, explain? _____

If **No**, does the explanation given above appear reasonable and verifiable?

☐ **Yes** ☐ **No** If **No**, explain? _____

If **Yes**, has the interest income earned on federal advances been included/reported to the State as program income? ☐ **Yes** ☐ **No** If **No**, explain _____

References: 29 CFR Part 95, Sections 95.21(a)(3), 95.22(b)(2), and 95.22(k) (Exceptions)
WIA Directive WIAD01-6 Program Income
WIA Directive WIAD02-1 Quarterly Financial Reporting Requirements

INTERNAL CONTROL AND PROPERTY MANAGEMENT

FISCAL TOOL 3

INTERNAL CONTROL

1. Identify the Subgrantee staff responsible for the following:
 - Preparing withdrawals or deposits _____
 - Reconciling the bank account _____
 - Handling petty cash _____
 - Approving cash vouchers _____
2. If the staff responsible for withdrawals or deposits is the same person who reconciles the bank account, how is appropriate internal control maintained? Please explain.

3. If the staff responsible for handling petty cash is the same person who approves cash vouchers, how is appropriate internal control maintained? Please explain.

PROPERTY MANAGEMENT

1. Did the Subgrantee purchase any equipment with an acquisition cost of \$5,000 or more per unit? ☐ **Yes** ☐ **No**
If **No**, **do not continue** with this exercise.
If **Yes**, did the Subgrantee receive prior approval from the awarding agency to acquire equipment? ☐ **Yes** ☐ **No**
2. Does the Subgrantee maintain equipment records that include the following data?

<input type="checkbox"/> Description	<input type="checkbox"/> Acquisition Date
<input type="checkbox"/> Serial Number	<input type="checkbox"/> Acquisition Cost
<input type="checkbox"/> Funding Source	<input type="checkbox"/> Location of Equipment
<input type="checkbox"/> Title Holder	<input type="checkbox"/> Use and Condition of equipment
<input type="checkbox"/> Percentage of Federal Participation	<input type="checkbox"/> Ultimate Disposition Data
3. Does it appear that the Subgrantee has an adequate maintenance procedure to keep the equipment in good condition? ☐ **Yes** ☐ **No**
4. Does it appear that the Subgrantee has a control system adequate to safeguard the equipment from loss, damage, or theft? ☐ **Yes** ☐ **No**

References: 29 CFR Part 95, Section 95.21
29 CFR Part 95, Section 95.34

COST ALLOCATION & INDIRECT COST RATE

FISCAL TOOL 4

COST ALLOCATION

1. Does the Subgrantee use cost pools to temporarily hold allocable costs?

☐ **Yes** ☐ **No**

If **No**, how does the Subgrantee allocate costs that benefit multiple programs?

Explain _____

2. Identify below the Subgrantee's allocation method for the following types of costs:

- Administration _____
- Contract/Vendor Payments _____
- Staff Wages _____
- General Operating Expenses _____

3. Does each allocation method identified above appear to be reasonable as to the benefits received? ☐ **Yes** ☐ **No** If **No**, explain. _____

If applicable, obtain a copy of the Subgrantee's cost allocation plan or method.

4. Using the allocation methods identified above, verify that its allocations of payments in Fiscal Tool 5, 6, & 7 are consistent with its stated cost allocation plan or method.

INDIRECT COST RATE

1. Does the Subgrantee have an Indirect Cost Rate?

☐ **Yes** ☐ **No** If **No**, skip to Fiscal Tool 5.

If **Yes**, obtain a copy of the Subgrantee's Indirect Cost Rate Plan.

Was the Indirect Cost Rate Plan approved by the Subgrantee's cognizant agency?

☐ **Yes** ☐ **No**

If **Yes**, who is the cognizant agency? _____

If **No**, explain. _____

2. Using the Subgrantee's internal records, request that the Subgrantee staff explain how the indirect cost rate is applied to the WIA fund and explain below. _____

3. Based on the Subgrantee's accounting records, does the Indirect Cost Rate amount charged to the WIA grant match the percentage approved by its cognizant agency?

☐ **Yes** ☐ **No** If **No**, explain. _____

4. Based on the Subgrantee's accounting records, does it appear that the Subgrantee is charging administrative cost separate from its indirect costs? ☐ **Yes** ☐ **No**

If **Yes**, verify that costs charged as administrative costs is not also charged as a part of the Indirect Costs.

PAYROLL PAYMENTS**FISCAL TOOL 5**

1. Obtain a copy of the Subgrantee's most current organization chart.
2. Select at least 5 Subgrantee employees who may charge their time to the WIA program. (If possible, include employees who may also charge their salary to other funding sources, i.e., Director, Controller, MIS, Clerical)
3. Obtain a copy of time sheets for the 5 employees identified for one month during the last reported quarter.
4. Obtain a copy of the Subgrantee's accounting records showing actual charges to each program and cost categories.
5. Using the documents obtained above, complete the matrix below.

Pay Period (Month) Reviewed: _____

	Employee Name	Position or Job Title	Total Hours Charged	Cost Pool or Shared Allocation?	Charging to Non-WIA Project?	Charging to WIA Admin. Category?	Charging to WIA Program Category?	Allocation of Hours/ Percentage Reasonable?
1								
2								
3								
4								
5								

Issues: _____

OPERATING EXPENSE PAYMENTS**FISCAL TOOL 6**

1. Using the Subgrantee's accounting records to track expenditures, select at least 5 general operating expense payments charged to the WIA fund, i.e., rent, utility, equipment and office supply.
2. Obtain source documents for the 5 operating expense payments identified above and complete the matrix below.

	Invoice # & Invoice Date	Payment Date & Amount	Description of Expenditure	Properly Documented?	Properly Authorized?	Necessary & Reasonable?	WIA Allowable?
1		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
2		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
3		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
4		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
5		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			

Issues: _____

CONTRACT PAYMENTS**FISCAL TOOL 7**

1. Using the Subgrantee's accounting records to track expenditures, select 5 contract payments charged to the WIA fund.
2. Obtain source documents for the 5 contract payments identified above and complete the matrix below.

	Invoice # & Invoice Date	Payment Date & Amount	Description of Expenditure	Properly Documented?	Properly Authorized?	Necessary & Reasonable?	WIA Allowable?
1		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
2		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
3		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
4		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			
5		\$					
Charged to: <input type="checkbox"/> WIA Program <input type="checkbox"/> WIA Administration <input type="checkbox"/> Other (Non WIA)				Properly allocated according to • Cost Allocation Plan <input type="checkbox"/> Yes <input type="checkbox"/> No • Benefits received <input type="checkbox"/> Yes <input type="checkbox"/> No			

Issues: _____

Staff Interviewed: _____

PROCUREMENT REVIEW INSTRUCTIONS

1. **Obtain** and review a copy of the Subgrantee's written procurement policies and procedures.
2. **Identify** the Subgrantee's small purchase limit. _____
3. **Verify** that the Subgrantee's written procurement policies and procedures contain the following requirements:

The Subgrantee's written procurement procedures must include the following:	Yes	No
A code of conduct for employees conducting procurements, including criteria regarding conflict of interest.	<input type="checkbox"/>	<input type="checkbox"/>
Selection procedures for procurement transactions.	<input type="checkbox"/>	<input type="checkbox"/>
Different types of procurement including when and how to use them.	<input type="checkbox"/>	<input type="checkbox"/>
Requirements for a price or cost analysis.	<input type="checkbox"/>	<input type="checkbox"/>
A process for resolving disputes, claims, and protests of award.	<input type="checkbox"/>	<input type="checkbox"/>
Limited conditions under which sole source procurement may occur.	<input type="checkbox"/>	<input type="checkbox"/>

4. **Complete** the following procurement exercises:

- **SMALL PURCHASES**

- ☐ Select a minimum of 4 small purchase transactions paid for with WIA funds during the PY in review. Use 4 Small Purchase worksheets (Procurement Tool 1) to record the outcomes.

- **NONCOMPETITIVE PROPOSAL/SOLE SOURCE**

- ☐ Select 2 procurement transactions involving the sole source procurement process for WIA funds during the PY in review. Use 2 Noncompetitive Proposal/Sole Source worksheets (Procurement Tool 2) to record the outcomes.

- **CONTRACT AGREEMENT**

- ☐ Review the contract agreement for the Sole Source transactions sampled above and record the outcomes on 2 Contract Review Worksheets (Procurement Tool 3).

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Staff Interviewed: _____

SMALL PURCHASE WORKSHEET

Procurement Tool 1

Staff Interviewed:	Monitor:	
Purchased Amount:	Purchase Date:	
Source of Purchase:		
Describe briefly the goods or services procured: _____		

For the purchase of equipment, did the Subgrantee determine that the purchase of this equipment is more cost effective than leasing? [29 CFR 95.44 (a)(2)]	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the Subgrantee document the small purchase transaction by one of the following: sales receipt, current catalogs, or formal quotes? [WIA Directive WIAD00-2]	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the Subgrantee obtain price or rate quotations from an adequate number of qualified sources? [29 CFR 95.45]	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the Subgrantee perform a cost or price analysis? [29 CFR 95.45]	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Was the purchase made on the basis of full and open competition? [29 CFR 95.43]	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Does it appear that the small purchase was properly procured based on the information reviewed? If no, please explain. _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	Yes <input type="checkbox"/>	No <input type="checkbox"/>

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Staff Interviewed: _____

NONCOMPETITIVE PROPOSAL/SOLE SOURCE

Procurement Tool 2

Staff Interviewed:		Monitor:	
Award Amount:		Agency Awarded:	
Goods or Services Procured:			
Did the Subgrantee determine that this award was not feasible under any other procurement method?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the Subgrantee conduct a cost or price analysis for this transaction? [29 CFR 95.46]		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the Subgrantee's procurement records include: [29 CFR 95.46]	<input type="checkbox"/> The rationale for selecting this method of procurement.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	<input type="checkbox"/> Justification for lack of competition when competitive bids or offers are not obtained.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	<input type="checkbox"/> The basis for contractor selection	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	<input type="checkbox"/> The basis for award cost or price	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the Subgrantee ensure that the award was not made to a debarred or suspended party? [29 CFR 95.13 & 98.510]		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Was there conflict of interest, real or apparent, in this procurement transaction? [29 CFR 95.42] If yes, explain. _____ _____		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Was the sole source transaction properly procured based on the information reviewed? If no, please explain. _____ _____ _____ _____ _____ _____ _____ _____		Yes <input type="checkbox"/>	No <input type="checkbox"/>

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Staff Interviewed: _____

CONTRACT REVIEW WORKSHEET

Procurement Tool 3

Staff Interviewed:		Monitor:	
Type of Goods or Services Purchased:			
Source of purchase:			
Purchase Amount:		Contract Period:	
Did the contract resulting from the procurement transaction specify the following:			
• Administrative, contractual, or legal remedies in instances of contractual violation? [29 CFR 95.48(a)]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• Termination for cause or for convenience by the grantee or contractor? [29 CFR 95.48(b)]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• Assurances of nondiscrimination and equal employment opportunity? [29 CFR 95.48 Appendix A-1]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• The retention of all required records for 3 years? [29 CFR 95.53]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• The condition for payments and delivery terms?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• The process for agreement changes?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• A provision against assignment?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• The rights of the State, the DOL, or any of their authorized representatives to access any books, records, papers or other pertinent documents for the purpose of auditing or monitoring? [29 CFR 95.48(d)]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• The DOL's requirements pertaining to patent rights with respect to any discovery or invention under this contract? [29 CFR 95.48, Appendix A-5]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
• Compliance with all applicable standards, orders, or requirements issued under Section 306 of the Clear Air Act and Section 508 of the Clean Water Act (contracts in excess of \$100,000)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Did the subcontractor certify compliance with the Americans with Disabilities Act of 1990?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Did the subcontractor sign a certification of a Drug Free Workplace or is it certified in the contract? [29 CFR 98.600]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
For a non-governmental agency awarded a contract for the amount of \$100,000 or more, did the subcontractor certify that no funds shall be used for lobbying? [29 CFR Part 95, Appendix A-7]	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Based on the contract document reviewed, did the Subgrantee include all required contract provisions? If no, please explain. _____ _____ _____ _____ _____ _____	Yes <input type="checkbox"/>	No <input type="checkbox"/>	